

Message Text

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20

ACTION EB-07

INFO OCT-01 EA-07 NEA-10 ISO-00 AID-05 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 DODE-00 PA-01 PRS-01 L-03 H-02 /092 W

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R 280541Z AUG 75

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 6799

INFO AMEMBASSY JIDDA

LIMITED OFFICIAL USE TAIPEI 5577

E.O. 11652: N/A

TAGS: EFIN, TW

SUBJECT: PETRODOLLARS MAY COME TO TAIWAN

1. VICE MINISTER OF FINANCE WANG SHAO-YU TOLD EMBOFFS AUGUST 21 THAT HE HAD MET RECENTLY IN TAIPEI WITH COMPTROLLER OF ECONOMIC DEVELOPMENT FUND (EDF) OF SAUDI ARABIA, WHO WAS ON UNPUBLICIZED VISIT TO ROC. WANG ASKED COMPTROLLER ABOUT POSSIBILITY OF GROC OBTAINING LONG-TERM PETRODOLLAR LOANS FROM EDF. COMPTROLLER INDICATED SAG WOULD ENTERTAIN REQUEST FROM GROC FOR CONSIDERATION AT EDF MEETING IN OCTOBER 1975. ACCORDING TO WANG, LOANS WOULD BE FOR SPECIFIC PROJECTS, WITH PRIORITY BEING GIVEN BY EDF TO INFRASTRUCTURE. INTEREST RATE WOULD BE BELOW COMMERCIAL BANK RATE. EDF WOULD REQUIRE DETAILED FEASIBILITY STUDIES ON EACH PROJECT. THIS WOULD CREATE NO PROBLEM FOR GROC, ACCORDING TO WANG, SINCE STUDIES ARE ALREADY AVAILABLE. WANG DID NOT INDICATE AMOUNT GROC MIGHT REQUEST, BUT ACCORDING TO LOCAL U.S. BANK OFFICIAL, WHOSE BANK HAS GOOD CONNECTIONS WITH EDF, AMOUNT COULD RUN TO U.S. DOLS 250 MILLION.

2. COMMENT. IF GROC IS SUCCESSFUL IN OBTAINING LOANS FROM
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EDF IT WOULD BE PLACED IN A COMFORTABLE POSITION FROM WHICH TO MANAGE ITS RELATIONS WITH INTERNATIONAL FINANCIAL COMMUNITY IN SEEKING THE RESOURCES REQUIRED FOR CONTINUED DEVELOPMENT. HOWEVER, GROC UNDOUBTEDLY WOULD LIKE SOME

FLEXIBILITY FROM EDF IN USE OF LOAN FUNDS SINCE MOST FOREIGN
EXCHANGE REQUIREMENTS OF MAJOR INFRASTRUCTURE PROJECTS HAVE
ALREADY BEEN ARRANGED. TWO MAJOR PROJECTS FOR WHICH GROC
IS STILL SEEKING FINANCING ARE STEEL MILL AND SHIPYARD.
NEITHER PROJECT WOULD BE ELIGIBLE FOR LOANS UNDER CURRENT
EDF PRIORITIES.
UNGER

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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
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Concepts: DOLLAR, LOANS, PETROLEUM
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Draft Date: 28 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Authority: buchant0
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
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Margaret P. Grafeld
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